

HOUSE BILL 3731

By Tidwell

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 39, relative to energy acquisition
corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-39-307, is amended by deleting the section in its entirety and by substituting instead the following:

The corporation is hereby declared to be performing a public function in behalf of an associated municipality, as defined in § 7-39-102, and to be a public instrumentality of such municipality. Accordingly, the corporation and all properties at any time owned by it, the income and revenues from the properties, and all bonds issued by it and the income from the bonds shall be only exempt from taxes imposed by the associated municipality, including the mortgage tax imposed by § 67-4-409(b) and any other tax that is imposed upon the privilege of recording any instrument giving notice of the creation of a lien, security interest or pledge, and such exemption shall apply to any transaction to which the corporation is a party whether as the secured party or the debtor. The corporation shall be subject to all taxes imposed by any municipality, county, or metropolitan government in which the corporation has a physical location that is not an associated municipality. Also, for purposes of the Tennessee Securities Act of 1980, compiled in title 48, chapter 2, part 1, bonds issued by the corporation shall be deemed to be securities issued by a public instrumentality or a political subdivision of the state of Tennessee.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.